

AGENDA: January 28, 2003

4.13

CATEGORY: Consent

DEPT.: Public Works

TITLE: Evelyn Avenue Construction (Pioneer Way to Bernardo Avenue), Project 01-48—
Authorize Bidding

RECOMMENDATION

1. Appropriate \$96,000 in street improvement fees received to date for Evelyn Avenue Construction, Project 01-48, and increase the project budget by the same amount. (Five votes required)
2. Approve plans and specifications for Evelyn Avenue Construction, Project 01-48, and authorize staff to advertise the project for bids.

FISCAL IMPACT

The Evelyn Avenue Improvements Construction, Project 01-48, is funded as part of the 2000-01 Capital Improvement Program. The approved budget for the project is \$5,915,000, of which \$2,300,000 is from County Measure A/B Sales Tax allocations, \$1,842,000 from the CIP Reserve Fund, \$1,173,000 from Construction/Real Property Conveyance Tax Fund, \$200,000 from Gas Tax, \$200,000 from Wastewater Revenue Fund and \$200,000 from the Annual Sidewalk Replacement Program.

The total project cost estimate is currently \$6,485,000. This is \$570,000 above the current project funding. This amount is attributable to higher cost for street right-of-way acquisition.

In accordance with the City Code, owners of properties fronting the roadway must reimburse the City street frontage improvement fees upon redevelopment of their property. Some property owners have already paid obligations, and the City received \$96,000 in payments from three parcels. Staff recommends appropriating these street improvement fees and increasing the project budget to \$6,011,000. This leaves a project shortfall of \$474,000.

To narrow the funding gap, staff recommends advertising the project with several alternative bid items to reduce current cost. A favorable low bid, plus the alternative items, could bring the project cost to within the adjusted budget. Over time, proceeds from a future sale of the surplus land from right-of-way acquisition and future property owner reimbursements for right-of-way and street improvements (about \$1,430,000 in anticipated future receipts) will more than offset the current funding shortfall.

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The City has been accumulating County Measure A/B funds for this project. Encumbering the \$2,300,000 of Measure A/B funds at this time is critical as the County and VTA will be reviewing and possibly reallocating Measure funds.

BACKGROUND AND ANALYSIS

Evelyn Avenue from Castro Street to Bernardo Avenue is a major east-west arterial serving traffic to and from the east, State Routes 85 and 237, and Downtown Mountain View. The City General Plan calls for improving Evelyn Avenue to a four-lane arterial roadway. The Evelyn Avenue Corridor Study and Precise Plan recommended widening Evelyn Avenue to four lanes to provide a through route to downtown and reroute traffic from neighborhood streets. Because Evelyn Avenue provides a gateway to the City and the downtown, its design included a landscape median from Stevens Creek to Bernardo Avenue.

Other major projects planned along the Evelyn Avenue Corridor to improve circulation, such as the Tasman Corridor Light Rail, Downtown Transit Center, Stevens Creek Pedestrian and Bicycle Trail, Reach 3 and 4, and Highway 85 widening, between Dana Street and Route 101, have been implemented. The Evelyn Avenue widening is the last circulation project planned for this corridor in the current General Plan and Precise Plan. In August 1998, the City Council approved roadway geometrics for widening the entire Evelyn Avenue to be implemented in three phases.

Evelyn Avenue Improvements, Phase I, between Castro Street and Calderon Avenue, was completed in January 2001. Evelyn Avenue Improvements, Phase II, between Stevens Creek and Pioneer Way, will be completed by March 2003.

Evelyn Avenue Improvements, Phase III, between Pioneer Way and Bernardo Avenue, will complete the street improvements that consist of reconstructing and widening the roadway to four travel lanes with a bicycle lane, sidewalks, streetlights, landscape median islands and four traffic signals (see Attachment 1).

In conjunction with the Phase III construction, PG&E and other utility companies will underground their overhead electric and telecommunications and remove the overhead wires and wooden poles.

Project Budget Strategy

The major cause of the \$474,000 budget shortfall is higher than the anticipated right-of-way cost. The approved budget assumed purchasing only the right-of-way needed for street improvements at an estimated cost of \$550,000. The estimated actual right-of-way cost will be about \$1,120,000, an increase of \$570,000 over budget. This increase is a result of acquiring

one entire residential property and the legal expenses and appraisal fees to acquire right-of-way from a commercial property at 525-533 East Evelyn Avenue. This acquisition is pending.

The current strategy is to sell the surplus residential parcel, which has an estimated value of \$400,000 after construction. The City will also be reimbursed the purchase price (approximately \$510,000) for the right-of-way fronting the commercial property when the property redevelops in the future.

Ten other properties are obligated to pay street improvement fees in the future, generating an additional \$520,000 in reimbursements. The proceeds (totaling about \$1,430,000) will more than offset the projected additional project costs.

To narrow the gap between current funding and the estimated project cost, staff proposes to advertise the project with the original scope of work but include alternative bid items that could be selectively deleted from the project after the bids are opened. The current bidding climate for public works projects is very competitive, and there is a likelihood that a favorable low bid with some deducted alternative items could bring the current cost to within the adjusted budget. Whether or not to deduct alternatives or supplement the budget can be made after bids are received.

Alternative Bid Items

Staff considered a number of construction items for substitution, deletion or deferral and identified four that reduce cost without changing project character or function. The focus of cost reduction is on landscaping because expenditures of Measure A/B funds are limited to street pavement related work and reducing this work will not maximize the use of these funds.

The first alternative bid item deletes the partially landscaped median island between Bernardo Avenue and Moorpark Way with asphalt and striping to separate the opposing traffic and provide a left-turn lane. This deletion will save an estimated \$135,000. The tree planting and landscaping along both sides of the street will soften the streetscape and screen the railroad tracks. A median island along this stretch could be added in the future.

The second cost reduction item substitutes 72" box redwood trees with 60" box trees. On September 24, 2002, the Council approved removing 11 Heritage trees on Evelyn Avenue, between Ferry-Morse Way and State Route 237, and mitigating the removal one-for-one with 72" box redwood trees or the nearest available size as recommended by the Urban Forestry Board. Substituting 60" box trees for 72" box trees will save an estimated \$50,000 and will be specified in the bid as a substitution item. Because local experience showed that smaller redwood tree will catch up in size in a few years, no significant impact is anticipated.

A third alternative bid item defers the irrigation and landscaping in the median island between Moorpark Way and the Whisman Road overcrossing to save an estimated \$100,000. The tree planting on both sides of Evelyn Avenue, as well as installing pavers at the median noses, would remain in the project.

The fourth alternative bid item defers the irrigation and landscaping in the median island between the Whisman Road overcrossing and Pioneer Way to save an estimated \$40,000. The tree planting on both sides of Evelyn Avenue would remain in the project.

Installing the landscaping and irrigation deferred under both Item Nos. 3 and 4 can be added in the future when the City's financial conditions improve and/or when the City recovers right-of-way expenses discussed previously. A summary of the alternative bid items and their potential reduction in current cost is shown in Attachment 3.

CONCLUSION

The alternative bid items in total are estimated to reduce costs by about \$325,000. While these items alone will not eliminate the funding shortfall, including them in the project will narrow the gap. The alternative items, in combination with a favorable low bid might be sufficient to close the gap. Therefore, staff recommends advertising the project now to take advantage of the very competitive bidding climate.

If Council approves advertising for bids, opening the bids will occur at the end of February 2003. Pending the results of the bids, staff will return to Council in March to recommend awarding a contract with one or more alternative bid items. If awarded, construction would start by late April 2003 and completion is expected by spring 2004. As noted previously, the \$2,300,000 in County Measure A/B funds reserved for the City's Evelyn Avenue Phase III improvements may be jeopardized if the project does not proceed.

The City Council approved a Mitigated Negative Declaration of Environmental Impact for Evelyn Avenue Improvements on August 4, 1998.

ALTERNATIVES

Appropriate additional funds to the project to cover the funding shortfall. This is not recommended at this time and it may not be necessary, depending on the results of the bidding process.

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PUBLIC NOTICING—Agenda posting.

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Attachments: 1. Plan of Phase III
2. Project Budget versus Current Cost Estimate
3. Summary of Alternative Bid Items

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